

**CITY COUNCIL OF THE CITY OF SAN DIEGO
SUPPLEMENTAL DOCKET NUMBER 3
FOR THE REGULAR MEETING OF
TUESDAY, JANUARY 20, 2004**

ADOPTION AGENDA, CONSENT ITEMS

RESOLUTIONS:

- * ITEM-S504: Two actions related to Otay Mesa Trunk Sewer (OMTS) Phase II Participation Agreement and Cal Terraces Offsite Sewer.

(See memorandum from Scott Tulloch dated 1/8/2004 and letter from Rob Hixson dated 12/17/2003. Otay Mesa and San Ysidro Community Areas. District-8.)

TODAY'S ACTIONS ARE:

Adopt the following resolutions:

Subitem-A: (R-2004-727)

Authorizing the City Manager to negotiate and execute a First Amendment to the Participation Agreement with Pardee Construction Company to accelerate design and construction of certain portions of Phase II of the Otay Mesa Trunk Sewer affecting the Old Otay Mesa Road improvements, for an additional amount not to exceed \$6,192,407;

Authorizing the City Manager to revise the contract phase funding schedule with Pardee Construction Company as follows, with a total authorization not to exceed \$12,550,347:

<u>Funding Phase</u>	<u>Fiscal Year</u>	<u>Amount</u>	<u>Comment</u>
Phase 1	2002	\$2,058,990	-
Phase 2	2004	\$1,294,357	-
Phase 3	2005	\$3,004,593	Contingent on Council approval of this funding in the originating department's FY 2005 operating budget.

ADOPTION AGENDA, CONSENT ITEMS

RESOLUTIONS: (Continued)

* ITEM-S504: (Continued)

<u>Funding Phase</u>	<u>Fiscal Year</u>	<u>Amount</u>	<u>Comment</u>
Phase 4	2005	\$6,192,407	Contingent on Council approval of this funding in the originating department's FY 2005 operating budget.
Total		\$12,550,347	

Approving the funding of Phase 2 per the revised phase funding schedule set forth above in the amount of \$1,294,357 from CIP-40-930.0, Otay Mesa Trunk Sewer;

Authorizing the City Manager to execute a consultant agreement with Berryman & Henigar for Cost Reimbursement Engineering, for an amount not to exceed \$112,900;

Authorizing the expenditure of an amount not to exceed \$7,437,307 from Sewer Fund 41506, CIP-40-930.0, Otay Mesa Trunk Sewer, solely and exclusively, to provide funds for the above project, of which \$6,192,407 is for the purpose of funding Amendment No. 1 to the Participation Agreement, \$112,900 is for funding the consultant agreement with Berryman & Henigar, \$620,000 for related costs, and \$512,000 for project contingency (to be transferred as needed from Fund 41506, CIP-46-193.0, Pooled Contingencies), provided that the City Auditor and Comptroller first furnishes one or more certificates demonstrating that the funds necessary for expenditure under established contract funding phases are, or will be, on deposit in the City Treasury;

Declaring that of said expenditure not to exceed \$7,437,307 set forth above, \$404,900 is to be funded in Fiscal Year 2004, and \$7,032,407 will be funded in Fiscal Year 2005, contingent on Council approval of this funding in the originating department's FY 2005 operating budget;

Authorizing the City Auditor and Comptroller to transfer excess budgeted funds, if any, to the appropriate reserves on advice of the administering department.

ADOPTION AGENDA, CONSENT ITEMS

RESOLUTIONS: (Continued)

* ITEM-S504: (Continued)

Subitem-B: (R-2004-728)

Certifying that the Addendum to the Environmental Impact Report for Project No. 23866 has been completed in compliance with the California Environmental Quality Act of 1970 (California Public Resources Code Section 21000 et seq.) as amended, and the State guidelines thereto (California Code of Regulations Section 15000 et seq.), that the report reflects the independent judgment of the City of San Diego as Lead Agency and that the information contained in said report, together with any comments received during the public review process, has been reviewed and considered by this Council in connection with the approval of Phase II of the Otay Mesa Trunk Sewer Project;

Adopting the Mitigation Monitoring and Reporting Program, pursuant to California Public Resources Code Section 21081.6, to implement the changes to the project as required by this body in order to mitigate or avoid significant effects on the environment;

Directing the City Clerk to file a Notice of Determination with the Clerk of the Board of Supervisors for the County of San Diego regarding the above Project.

NATURAL RESOURCES AND CULTURE COMMITTEE'S RECOMMENDATION:

On 1/14/2004, NR&C voted 5 to 0 to approve. (Councilmembers Zucchet, Lewis, Frye, Madaffer, and Inzunza voted yea.)

SUPPORTING INFORMATION:

In order to provide adequate sewage conveyance capacity and accommodate further growth in the Otay Mesa community, the City Council approved a Participation Agreement with Pardee Homes, on December 3, 2001, Resolution No. R-295816 to provide design and construction services for the Otay Mesa Trunk Sewer (OMTS) Phase II in the amount of \$36,483,992. Funding for planning and design phase in the amount of \$6,357,940 was also authorized.

ADOPTION AGENDA, CONSENT ITEMS

RESOLUTIONS: (Continued)

* ITEM-S504: (Continued)

SUPPORTING INFORMATION: (Continued)

Because the Princess Park Estates subdivision, which is within the California Terraces Precise Plan, requires the improvement of Otay Mesa Road, it is necessary to accelerate a portion of the construction of the OMTS Phase II, in order to avoid excavating within the newly constructed street improvements. This action, which includes the California Terraces Offsite Sewer Connection, will amend the current agreement with Pardee Homes, authorizing the funds for the construction of this accelerated portion. In addition, this action will certify the Amendment to the California Terraces Environmental Impact Report (California Terraces Offsite Sewer Connection, Project No. 23866) to include the construction of this portion of the OMTS Phase II.

To recover the expenses for OMTS, the City is creating a cost reimbursement mechanism to obtain reimbursement from those parties who will be the beneficiaries to this project. This action will also authorize approval of an agreement with Berryman & Henigar, Inc. in an amount not to exceed \$112,900 for cost reimbursement engineering, for the OMTS, Phase II, to determine the allocation of cost to the beneficiaries of this project.

FISCAL IMPACT:

The total project cost is \$13,795,247 of which \$6,357,940 has been previously authorized by Resolution No. R-295816 on December 3, 2001, for the Pardee Homes agreement. The total of this request is \$7,437,307 of which \$6,192,407 increases the Pardee Homes agreement to \$12,550,347, \$112,900 is for the Berryman & Henigar agreement, \$620,000 is for related costs, and \$512,000 is for contingency. Funds are available in Sewer Fund No. 41506, CIP-40-930.0, Otay Mesa Trunk Sewer to fund \$1,699,257 in Fiscal Year 2004, including \$1,294,357 for a previously authorized unfunded phase, and \$10,037,000 in Fiscal Year 2005, including \$3,004,593 for a previously authorized unfunded phase, for a total of \$11,736,257. It is anticipated that this contract will be phase-funded in an amount of \$9,197,000 for Fiscal Year 2005.

Loveland/Tulloch/AS

Aud. Certs. 2400682 and 2400683.

